

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 15790 201503Z

70

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 CIEP-01 FAA-00 TRSE-00 L-03

NSC-05 SS-15 /053 W

----- 099442

R 201452Z SEP 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC 1957

INFO AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMCONSUL FRANKFURT

LIMITED OFFICIAL USE BONN 15790

LONDON AND PARIS FOR CIVIL AIR ATTACHES

E.O. 11652: N/A

TAGS: EAIR, GW

SUBJECT: CIVAIR: NORTH ATLANTIC CARGO RATES

REF: BONN 12141 AND PREVIOUS

1. SUMMARY: ON BASIS OF EXTENDED DISCUSSIONS WITH LOCAL REPRESENTATIVES OF AIR CARRIERS AND FREIGHT FORWARDERS, EMBASSY SUGGESTS THAT DEPARTMENT MAY WISH TO CONSIDER URGING CAB TO TAKE FAVORABLE ACTION ON MIAMI CARGO RATE PACKAGE. END SUMMARY.

2. AT FRANKFURT MEETING SEPTEMBER 14 OF GERMAN AIR CARGO CLUB, LUFTHANSA REPRESENTATIVE KOEHLER EXPLAINED AT GREAT LENGTH THE NATURE OF ATLANTIC CARGO RATE PACKAGE AGREED AT MIAMI BEACH. HE URGED EARLY APPROVAL AND IMPLEMENTATION OF RATE PACKAGE. REPRESENTATIVES OF SOME FREIGHT FORWARDERS MADE COMPLAINING NOISES EARLY IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 15790 201503Z

MEETING ABOUT PROSPECT OF HIGHER RATES, BUT SOON APPEARED

SATISFIED WITH EXPLANATIONS GIVEN.

3. GIST OF LUFTHANSA ARGUMENT -- STRONGLY SUPPORTED BY SEVERAL OTHERS IN MEETING AND IN PRIVATE BY PANAM AND SEABOARD -- WAS THAT CROSS-BORDER TRUCKING OF GERMAN CARGO TO AND FROM LUXEMBOURG AND BRUSSELS AND SHIPMENT TO AND FROM US AT BELOW-COST RATES WAS SO WIDESPREAD AS TO JEOPARDIZE FINANCIAL VIABILITY OF SCHEDULED CARGO CARRIERS IN GERMANY.

4. AFTER EXPLAINING THAT CARGO RATE PACKAGE REPRESENTED COMPROMISE AMONG VARIOUS SCHEDULED CARRIERS, WHICH WAS VASTLY PREFERABLE TO PRESENT CHAOTIC MARKET SITUATION, KOEHLER SAID THAT IT WAS ACCEPTED BY CARRIERS, BY IATA AT MIAMI BEACH, AND BY MOST INTERESTED GOVERNMENTS. BY IMPLICATION, HE WAS URGING, OF COURSE, THAT CAB SHOULD TAKE PROMPT AND FAVORABLE ACTION.

5. US CAA, WHO ATTENDED MEETING, ALSO HELD NUMEROUS PRIVATE CONVERSATIONS WITH REPS OF OTHER CARRIERS AND FREIGHT FORWARDERS. CONSENSUS WAS CLEAR THAT EXISTING RATE SITUATION AND EXTENSIVE CROSS-BORDER TRUCKING AMOUNTED TO A PRICE WAR WHICH WAS JEOPARDIZING FINANCIAL VIABILITY OF MANY MARKET PARTICIPANTS.

6. IN ADDITION TO PROBLEMS MENTIONED ABOVE, THE WHOLE COMPLEX OF INTER-MODAL SHIPPING (BY TRUCK AND AIR) BETWEEN EUROPE AND AMERICA IS INVOLVED. WHILE THE FRG HAS OFFERED TO RETAIN THE STATUS QUO FOR THE MOMENT, EXTENSIVE DELAY OR REJECTION BY CAB OF THE MIAMI BEACH PACKAGE WOULD PROBABLY LEAD TO FULL APPLICATION BY THE FRG OF EXISTING TRUCKING REGULATIONS, WHICH WOULD BE VERY UNFAVORABLE TO SEABOARD AND OTHER US CARRIERS.

7. COMMENT: MIAMI BEACH RATE PROPOSAL APPEARS TO BE CONSISTENT WITH PRINCIPLES ENUNCIATED ON PAGES 23 AND 24 OF US INTERNATIONAL AIR TRANSPORT POLICY STATEMENT OF SEPTEMBER 8, I.E., THAT BOTH CHARTER AND SCHEDULED CARGO RATES SHOULD BE COST-RELATED, AND THAT WEIGHT BREAKS SHOULD REFLECT LARGE VOLUME COST SAVINGS. WE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BONN 15790 201503Z

WERE STRUCK BY PREVALENCE OF VIEW THAT MIAMI RATE PACKAGE COULD OFFER USEFUL APPROACH WHICH WOULD HELP WITH SOLUTIONS TO CURRENT RELATED CIVIL AVIATION PROBLEMS.

8. FOREGOING IS OFFERED FOR WHATEVER IT MAY BE WORTH TO DEPARTMENT AND CAB IN REACHING DECISION ON IATA MIAMI BEACH CARGO RATE PACKAGE.

HILLENBRAND

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, DIPLOMATIC DISCUSSIONS, AIR CARGO RATES, SUPPLEMENTAL AIRLINES, AVIATION AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BONN15790
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760355-0541
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760943/aaaabkfx.tel
Line Count: 116
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 BONN 12141
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 05 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 APR 2004 by BoyleJA>; APPROVED <11 AUG 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: NORTH ATLANTIC CARGO RATES
TAGS: EAIR, GE, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006